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6 May 1952

MEMORANDUM FOR THE DEPUTY DIRECTOR OF CENTRAL INTELLIGENCE

SUBJECT: O/NE Draft Terms of Reference for Suggested Special Estimate: "Offensive Capabilities of the Chinese Nationalists, and Probable Reactions to a US Decision to Prepare the Nationalists for Offensive Operations Against the Chinese Communists"

1. In response to your oral request of 5 May 1952 to Messrs. [redacted] of this office, O/NE has prepared the attached Terms of Reference for a suggested Special Estimate on the above subject. Time has not permitted a coordinated IAC Terms of Reference; the attached draft represents only the suggested views of O/NE.

2. It is the view of O/NE that, following the CIA-NSC procedure precedents set by SE-20 and SE-22, a coordinated intelligence appreciation concerning the actual and potential capabilities of the Chinese Nationalists for various offensive operations against the Chinese Communists, and the probable reactions to a US decision to prepare the Nationalists for offensive operations against the Chinese Communists, would be of value to the NSC in its current examination of US policy with respect to Formosa. Although paragraphs 31-35 of the NSC Staff Study of NSC 48/5 (US Objectives, Policies and Courses of Action in Asia), dated 17 May, 1951, addressed themselves generally to this problem, no coordinated estimate on this precise question has been done, nor has a re-examination of the intelligence appreciation of the above NSC 48/5 paragraphs been made in the past year.

SHERMAN KENT
Assistant Director
National Estimates

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attachments
8 cc Draft Terms of Reference
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